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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/084,905

02/28/2002

Peter J. Zangari

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EXAMINER

NEWTON, JARED W

ART UNIT

PAPER NUMBER

3692

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
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3 MONTHS

03/22/2007

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

10/084,905

Applicant(s)

ZANGARI ET AL.

Examiner

Jared W. Newton

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 21 February 2007.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-36 is/are pending in the application.
- 4a) Of the above claim(s) 1, 2 and 23-36 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 3-22 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 24 June 2002 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date <u>6/24/02; 5/5/03; 10/8/03</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Election/Restrictions

Claims 1, 2, and 23-36 withdrawn from further consideration pursuant to 37 CFR 1.142(b) as being drawn to a nonelected invention, there being no allowable generic or linking claim. Election was made **without** traverse in the reply filed on February 21, 2007.

Specification

The disclosure is objected to because of the following informalities:

- The phrase "Market data and other source of raw information is received..." should be changed to --Market data and other sources of raw information are received...-- in line 11 of page 11.
- The word "which" should be removed in line 22 of page 26.
- The word "this" in line 15 of page 27 should be changed to --these--.
- The word "underling" in line 2 of page 33 should be changed to --underlying--.

Appropriate correction is required.

The lengthy specification has not been checked to the extent necessary to determine the presence of all possible minor errors. Applicant's cooperation is requested in correcting any errors of which applicant may become aware in the specification.

Claim Objections

Claim 5 is objected to because of the following informalities: the word "mode" in line 10 should be changed to --model--.

Claim 14 is objected to because of the following informalities: the word "mode" in line 12 should be changed to --model--.

Claim 17 is objected to because of the following informalities: the term "models" in line 1 should be changed to --model objects--.

Appropriate correction is required.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless --

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 3-5, 7-15, 17-22 are rejected under 35 U.S.C. 102(e) as being anticipated by US Patent Application Publication 2003/0065601 to Gatto (Gatto).

In regard to claim 3, Gatto discloses a system and method for tracking the performance of security analysts based on a plurality of data groups related to a set of analyst and security data (see ¶ [0073]), said method comprising:

providing a set of factors (see ¶ [0029] and FIGS. 2 and 3 – Gatto discloses “pre-calculated” factors);

providing a set of models which model attributes of the data groups, each model being dependent on at least one factor (see ¶¶ [0022] and [0115]);

associating each data group with at least one model (see id.);

determining factor values for at least one of the factors in the set of factors on which the models associated with the data groups depend (see ¶ [0029] and FIGS. 2 and 3 – Gatto discloses retrieving adjustment factor equations, applying relevant data, and calculating the factor);

for each data group, evaluating an associated model using at least the determined factor values and the set of data to provide a value for the attribute modeled by the associated model (see ¶ [0115]); and

storing the attribute values (see ¶ [0036]).

In regard to claim 4, Gatto further discloses the set of data comprising financial data related to a plurality of financial instruments; and the data groups comprising portfolios, each portfolio identifying at least one financial instrument from the plurality of financial instruments (see Abstract – “Users may also create and test, either retrospectively or prospectively, custom portfolio transaction models and rules for purchasing and selling securities based upon analysts’ estimates and recommendations”).

In regard to claim 5, Gatto discloses a system and method for tracking the performance of security analysts based on a plurality of data groups related to a set of analyst and security data (see ¶ [0073]), said method comprising:

providing a set of factors (see ¶ [0029] and FIGS. 2 and 3 – Gatto discloses “pre-calculated” factors);

providing a set of models which model attributes of portfolios, each model being dependent on at least one factor (see ¶¶ [0022] and [0039]);

associating each data group with at least one model (see id.);

determining factor values for at least one subset of the factors in the set of factors on which the models associated with the data groups depend (see ¶ [0029] and FIGS. 2 and 3 – Gatto discloses retrieving adjustment factor equations, applying relevant data, and calculating the factor);

for each data group, evaluating an associated model using at least the determined factor values and the set of data to provide a value for the attribute modeled by the associated model (see ¶ [0115]); and

storing the attribute values (see ¶ [0036]).

In regard to claim 7, Gatto further discloses said models including at least one performance model (see ¶ [0115]), a particular portfolio being associated with the performance model such that a performance value (i.e. “earnings estimates”) for the particular portfolio is determined during the evaluating step, the method further comprising the steps of:

receiving an alternative performance value for the particular portfolio (see id.);
and

comparing the determined performance value with the alternative performance value. Gatto recites, “[A] user will be able to test such models by applying them over any previous time period, thereby creating a ‘virtual analyst’ whose hypothetical prospective performance can be compared with the historical performance of a single or plurality of analysts, or even the average historical consensus estimates for any previous time period.” (See id.)

In regard to claim 8, Gatto further discloses the step of indicating “swings,” or deviations of performance estimate values from consensus values, when said deviation is greater than or equal to the predefined value of 1.5 standard deviations (see ¶ [0086]).

In regard to claim 9, Gatto further discloses the performance model modeling portfolio return (see Abstract—“Users may also create and test, either retrospectively or prospectively, custom portfolio transaction models and rules for purchasing and selling securities based upon analysts’ estimates and recommendations. The value of such test portfolios may also be tracked”) and the alternative performance value as an officially reported (historical, for example, from a Financial Information Service Provider (FISP) or other commercial database) return for the particular portfolio (see ¶¶ [0073] and [0115]).

In regard to claim 10, each of said portfolio of securities is associated with an investment strategy from, for example, an analyst or a plurality of analysts.

In regard to claim 11, Gatto further discloses:

making the factor set available to a model development platform (see generally FIGS. 15-24);

developing in the platform a new model dependent on at least one factor selected from the set of factors (see ¶ [0115]); and

adding the new model to the set of models (see id.—“[A] user will be able to construct, store, and recall custom composite earnings models for analysis and testing purposes”).

In regard to claim 12, Gatto discloses the limitations of claims 5 and 11 as advanced above, and further recites, “[T]he data comprising the Restructured Analyst Data Object will preferably reside on a server in a computer network. Using a computer terminal or other similar input device, a user will be able to access and utilize the application Module comprising the software for the present invention ... In a preferred embodiment, the architecture of the present invention may comprise various structures consistent with the present invention. Various structures, as depicted in FIGS. 10a-c may be provided ... Using such a terminal and application module, a user may access and query the Restructured Analyst Data Object to perform *any one of the numerous functions able to be performed by the present invention.*” (Emphasis supplied) (see generally ¶¶ [0071] – [0078]). It is inherent within the scope and teachings of the Gatto reference that the models explicitly disclosed would be stored as objects compatible with the formatting platform disclosed, which allows users to “construct, store, and recall custom composite earnings models” (see ¶ [0115]).

In regard to claim 13, Gatto shows reports generated based upon the portfolio attribute values (see FIG. 6).

In regard to claim 14, Gatto discloses the system and method as advanced above, including the limitations of claims 3-5 and 7-13. Said system and method includes: a plurality (or “library”) of factors; a set of models that each depend on the factors and model the attributes of a group (portfolio) of securities, said models being constructed and stored in a database within the system; a means (module) for allowing a user to determine factor values for at least a subset of said factors; a means (module) for evaluating the models associated with the portfolios of securities using stored financial data and the factor values; and a means for storing the modeled values for a particular group of securities (see foregoing 35 USC 102 rejections of claims 3-5 and 7-13).

In regard to claim 14, and the claims on which it depends, as noted in the claim 12 rejection above, Gatto further discloses that a user may access a data object within the architecture of the system to perform any of the functions disclosed in the system and method. In view of this teaching, it is inherent within the scope of the Gatto reference that the models and portfolios disclosed would be stored within the system architecture as objects.

In regard to claim 15, Gatto discloses the performance model as set forth in the claim 7 rejection above, and further discloses said model as capable of storing and displaying a time-series of the modeled performance (see ¶ [0025]), and storing modeled performance (see ¶ [0115]).

In regard to claim 17, Gatto further discloses said models including at least one performance model (see ¶ [0115]), a particular portfolio being associated with the performance model such that a performance value (i.e. "earnings estimates") for the particular portfolio is determined during the evaluating step, the method further comprising the steps of:

receiving an alternative performance value for the particular portfolio (see id.);
and

comparing the determined performance value with the alternative performance value. Gatto recites, "[A] user will be able to test such models by applying them over any previous time period, thereby creating a 'virtual analyst' whose hypothetical prospective performance can be compared with the historical performance of a single or plurality of analysts, or even the average historical consensus estimates for any previous time period." (See id.)

In regard to claim 18, Gatto further discloses the step of indicating "swings," or deviations of performance estimate values from consensus values, when said deviation is greater than or equal to the predefined value of 1.5 standard deviations (see ¶ [0086]).

In regard to claim 19, Gatto further discloses the performance model modeling portfolio return (see Abstract—"Users may also create and test, either retrospectively or prospectively, custom portfolio transaction models and rules for purchasing and selling securities based upon analysts' estimates and recommendations. The value of such test portfolios may also be tracked") and the alternative performance value as an officially

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reported (historical, for example, from a Financial Information Service Provider (FISP) or other commercial database) return for the particular portfolio (see ¶¶ [0073] and [0115]).

In regard to claim 20, Gatto further discloses a table that associates the securities portfolios and the various models applied to the securities, wherein each is identified with a unique textual identifier (see FIGS. 23 and 24).

In regard to claim 21, Gatto further discloses a graphical user interface module configured to allow data from the factor value database to be exported from a model development platform and to allow model objects to be imported to the model database from the model development platform (see generally FIGS. 15-24). (See also ¶ [0115]— “[A] user will be able to construct, store, and recall custom composite earnings models for analysis and testing purposes”).

In regard to claim 22, Gatto discloses the generation of reports (see FIG. 6).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 6, and 16 are rejected under 35 U.S.C. 103(a) as being obvious over Gatto as applied to claims 3-5, 7-15, 17-22 above, in view of US Patent No. 6,453,303 to Li (Li).

In regard to claims 6 and 16, Gatto discloses the system and method as advanced above, but does not specifically disclose one of said models including a risk model.

Li discloses an automated system for generating and displaying financial asset information; wherein a said system is capable of modeling: a beta correlation coefficient for measuring risk-adjusted portfolio performance, the value-at-risk VAR for measuring the absolute risk of a portfolio, and the SHARPE ratio for measuring risk-adjusted return of a portfolio (see col. 4, line 46 – col. 5, line 27).

The Gatto and Li references are analogous art because they are from the same field of endeavor—computer based financial security analysis. It would have been obvious to one of ordinary skill in the art at the time of the invention to use the model development platform disclosed by Gatto to develop the risk models as disclosed by Li. The motivation would have been that as disclosed by Li—to provide in depth analysis of an assets behavior and relationship to a market.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

- US Patent No. 6,510,419 to Gatto
- US Patent No. 7,020,631 to Freeman et al.
- US Patent No. 6,633,875 to Brady
- US Patent No. 6,078,903 to Kealhofer

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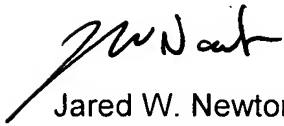
- US Patent No. 6,021,397 to Jones et al.
- US Patent No. 5,946,666 to Nevo et al.
- US Patent No. 5,893,079 to Cwenar
- US Patent No. 5,749,077 to Campbell
- US Patent No. 5,220,500 to Baird et al.
- US Patent No. 5,148,365 to Dembo
- US Patent No. 4,774,664 to Campbell et al.
- US Patent Application Publication No. 2003/0009408 to Korin
- US Patent Application Publication No. 2002/0178100 to Koveos
- US Patent Application Publication No. 2002/0046145 to Ittai

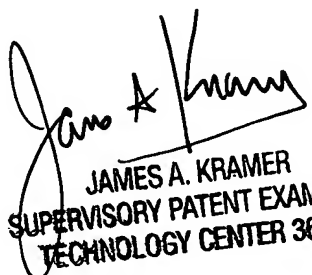
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jared W. Newton whose telephone number is (571) 272-2952. The examiner can normally be reached on M-F 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached on (571) 272-6777. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.


Jared W. Newton
March 13, 2007
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 3/14/07
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